



Arnold Schwarzenegger
Governor

September 10, 2010
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Ms. Verna Lewis, Executive Director
Kern/Inyo/Mono Employers' Training Resource
1600 East Belle Terrace
Bakersfield, CA 93307

Dear Ms. Lewis:

AMERICAN RECOVERY AND REINVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the Kern/Inyo/Mono Employers' Training Resource (KIM/ETR) financial management and procurement systems for activities funded by the American Recovery and Reinvestment Act of 2009 (ARRA) and Workforce Investment Act (WIA). This review was conducted from July 26, 2010 through July 30, 2010. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, cost/resource sharing, single audit and audit resolution policies and procedures for its subrecipients, and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management. In addition, we reviewed the membership of KIM/ETR's Local Workforce Investment Board and Youth Council.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by KIM/ETR with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding financial management and procurement for PY 2009-10.

We collected the information for this report through interviews with representatives of KIM/ETR, a review of applicable policies and procedures, and a review of documentation retained by KIM/ETR for a sample of expenditures and procurements for PY 2009-10.

BACKGROUND

For PY 2009-10, KIM/ETR was allocated: \$2,490,231 to serve 400 adult participants; \$5,795,754 to serve 1,763 youth participants; and \$3,257,342 to serve 827 dislocated worker participants.

For the quarter ending June 30, 2010, KIM/ETR reported the following expenditures and enrollments: \$2,363,533 to serve 921 adult participants; \$4,894,628 to serve 2,629 youth participants; and \$2,899,912 to serve 995 dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, overall, KIM/ETR is meeting applicable WIA and ARRA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

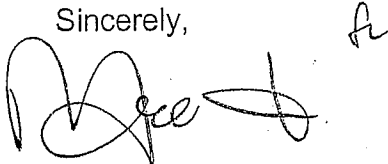
We conclude that, overall, KIM/ETR is meeting applicable WIA and ARRA requirements concerning procurement.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is KIM/ETR's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain KIM/ETR's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mrs. Jennifer Shane at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Daniel Patterson, MIC 45
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